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2D-MORTGAGE LEADERS — TABLES BEGIN ON P. 13

American Banker

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VOL. CLIII NO. 123 Friday, June 24, 1988 153rd Year

Today

The Bank Board said there was no legal authority for interstate banking in Nebraska when it denied the application of the Commercial Federal Savings and Loan Association, Omaha, to establish a branch in Iowa. —2

A Senate bill to lift ownership restrictions on Freddie Mac preferred stock could be a first step toward privatizing the government mortgage agency. —2

Bank of New York's sweetened offer for Irving Bank Corp. expired without a favorable reply, and the suitor said it would pursue its original offer through the courts. —2

The FSLIC is not insolvent in terms of "reality," according to Bank Board Chairman M. Danny Wall, and he called the GAO's estimate of a $13.4 billion deficit flawed. —2

Proposed tax changes would affect thrifts more than banks, as cuts for dividends received could hurt S&Ls in need of capital. —3

Japanese banks are expected to issue between 1 trillion and 2 trillion yen in equity to meet new capital adequacy guidelines. An accompanying table shows recent equity financing by major Japanese banks. —18

Harmonizing Japan's banking laws with U.S. regulations will not guarantee American entry into the Japanese market. —18

IDS Certificate Co., Minneapolis, expects to sell nearly $1 billion in uninsured certificates of deposit this year. —24

Executive Changes —16
In the News —3

COMMENT

An American perspective on the consolidation of European markets by 1992 is offered by Dennis Weatherstone, head of J.P. Morgan. —4

THRIFTS & MORTGAGES

The Baupost Group hopes to continue its prosperous investment in thrift stocks. The Cambridge, Mass., investors averaged a return on assets of 20% to 33% between 1983 and year-end 1987. —6

Media reporters were reproached by M. Danny Wall for what the Bank Board chairman called ignorance of thrift industry operations. —6

Mortgage-backed securities jumped nearly 30% during May, while new debt and equity issues by thrift institutions rose 15%. For the fifth consecutive month, more than half of all new thrift issues were mortgage-backed securities. —8

Worth Repeating

We're a little like a dinosaur that survived radiation and is lumbering down Main Street.

Frank Skillern, president of Minneapolis-based IDS Certificate Co., on the success of its 960-year-old uninsured CD. [Page 24]

FDIC Forecasts 2 Texas Bailouts, To Surprise of Bank Executives

By BARBARA A. REHM
Washington Bureau

WASHINGTON — The Federal Deposit Insurance Corp. plans to bail out Texas American Bancshares Inc., Fort Worth, and National Bancshares Corporation of Texas, San Antonio, by yearend, according to a press statement and the text of a speech scheduled to be delivered today by FDIC Chairman L. William Seidman.

The FDIC's decision to announce the planned rescues of major Texas banks is highly unusual. Normally, the agency does not admit it has agreed to a rescue until the deal is sealed.

In April, Texas American and National Bancshares said they were considering a plan to merge. The combined bank would get some cash from the FDIC and private investors to start fresh, the banks explained.

Texas American and National Bancshares were caught off guard by the news of the FDIC statements on Thursday.

"We haven't heard them tell us that," said Texas American spokeswoman Gail Cooksey. "Apparently, you're telling us something we don't know."

Richard W. Calvert, chairman of National Bancshares' board, said in a phone interview yesterday, "It's news to me. I hadn't heard that." National

FDIC: Page 23 ➡

First Data Adds To Its Share Of Card Market

American Express Affiliate Buying Bank-Owned Group

By JEFFREY KUTLER

NEW YORK — First Data Resources Inc., a subsidiary of American Express Co., has announced another in a series of acquisitions that will increase its already dominant share of the bank card processing market.

First Data said it has reached an agreement in principle to acquire Eastern States, the largest of the bank-owned associations that process MasterCard and Visa accounts for their members. The purchase terms were not disclosed. A definitive agreement still must be drafted and presented to the companies' boards.

Pending approval of the deal, Eastern States would add almost 8 million accounts to the 25 million currently being serviced by First Data at its headquarters in Omaha and three regional computer centers.

That would boost First Data's share of the approximately 150 million domestic MasterCard and Visa accounts to about 21% from 16%. It is an irony not lost on bankers who have criticized American Express Co. for competing against banks while also getting rich off them.

First Data has been affiliated with American Express since 1980. It was founded in 1971 by P.E. Esping, an Omaha-based entrepreneur.

Citibank, Bank of America, and several other leading credit card banks have back-office operations comparable in size to First Data Resources'. But the American Express affiliate is well

American Express: Page 11 ➡

California First, Activists Reach Loan Pact

By MICHAEL A. ROBINSON
West Coast Bureau

SAN FRANCISCO — In one of the largest accords of its kind, California First Bank reached an agreement with dozens of minority and community groups to provide at least $84 million in loans to low-income areas of California through 1990.

Representatives of a broad array of activist groups said Thursday that the agreement with California First was the first of its kind involving a U.S. financial institution controlled by a foreign bank. The Bank of Tokyo Ltd. owns 77% of California First, the Meiji Mutual Life Insurance Co., Tokyo, owns 6%, and the remainder is publicly held.

The agreement under the federal Community Reinvestment Act came after several weeks of negotiations between the bank and three coalitions representing about 90 community groups in California: Minorities Investing for the Future, the California Reinvestment Committee, and the Associa-

California First: Page 19 ➡

Top Agreements On Local Lending

Funds committed by banks under Community Reinvestment Act

First Chicago	$120 million
California First	84 million
Meridian Bancorp	60 million
Carteret Savings	53 million
Fidelity Bank	50 million
Maryland National	50 million

Source: Center for Community Change

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An American View of Europe's Consolidation in 1992

By DENNIS WEATHERSTONE

With the European Community in the process of dismantling intra-European trade barriers by Dec. 31, 1992, international business leaders are gauging the impact of a true Common Market. The following remarks on the issue were made by Dennis Weatherstone, president of J.P. Morgan & Co., before the Swiss-American Chamber of Commerce in Zurich on June 20.

□

We in the U.S. would do well to benefit from the example of deliberate reform that Europe is poised to provide over the next four years.

— Dennis Weatherstone
President
J.P. Morgan & Co.

NOWHERE WILL the changes promised by the 1992 integration be more profound, or have more far-reaching effects, than in financial services. More competition will force greater efficiency, leading to lower costs and wider choices for consumers. And financial liberalization will benefit all sectors of the economy that rely on the capital markets.

If savings can be better mobilized and credit can be better allocated throughout Europe, business opportunities opened up by the move to a single market can be realized more quickly and easily. Investment will rise and, down the road, we may start to see the high rates of unemployment in the Community decline. Although Switzerland and the United States, neither a member of the European Community, technically will be observers of these changes, they will significantly affect those two countries, and others beyond European Community borders.

So today I will focus my remarks on financial services. I readily admit that I find finance a source of endless fascination, and I suspect that it is of more than passing interest to an audience in Zurich, perhaps the Continent's foremost financial center.

A unified market for financial services, embracing 320 million people, glimmers on the 1992 horizon. To create this market, the European Community must eliminate remaining capital controls, harmonize taxes and regulations that discriminate against other member states, and establish a regulatory framework that will permit financial firms to expand and sell a full menu of wholesale and retail services freely across borders — that will permit them to become, in effect, European universal banks.

Under the guiding principle of mutual recognition of supervisory authority, banks will be supervised principally by their home market regulator, rather than by a central regulatory authority or by the regulators of their host countries. To even out the playing field, the European Community plans to establish minimal prudential regulations for banks, including harmonized capital standards and accounting policies.

That will do for facts . . . How do all these proposed changes appear to an American? What might they mean? And more specifically, what might they mean for various market participants, nations, and other interested parties?

Admirable Agreement on Basic Issues

First of all, the general sense of agreement among the countries of the European Community on fundamental financial market issues is impressive. As a veteran of the continuing Glass-Steagall wars in the U.S., I express my admiration with some feeling for the effort to transcend local interests and traditions in order to achieve a greater good — in this case, the eventual creation of a more efficient European market for financial services.

We have had less success across the Atlantic in forging consensus on a similar goal, in many ways more modest: namely, allowing financial firms to engage in both banking and securities activities nationwide, in the interest of creating a more efficient financial services market in the U.S. And we have just one country to deal with, not 12!

It is entirely proper, of course, to be skeptical that the European Community's member states will follow through on all of the planned reforms. The U.K. for one is reluctant to surrender supervision of London's foreign banking community to home country regulators.

Moreover, under current proposals, host countries would retain supervisory authority over bank liquidity and other factors deemed necessary for monetary control, and over foreign banks' securities activities. As a result, host country regulators have some leeway to work against the thrust of European Communitywide regulation if they choose to do so. Still, we are betting that the momentum toward unification will continue to build.

We in the U.S. would do well to benefit from the example of deliberate reform that Europe is poised to provide over the next four years. But, happily for those of us who think change in our own market is long overdue, the integration of European financial markets may also directly increase the pressure for reform in the U.S. — and other nonmember states — through demands for reciprocity.

The European Commission has reserved the right to deny applications from third-country banks to obtain an European Community banking license or to acquire an ownership interest in a Community bank, if the Commission believes that banks of any member state are not receiving reciprocal treatment. Significantly, the reciprocity language in the guidelines is vague, giving the Commission wide scope for enforcement.

Insistence on Reciprocity

All the signals suggest that the European Commission will not be shy about seeking reciprocity. Earlier this month the Commission asked member states to begin applying the proposed reciprocity provisions even though they have not yet been formally adopted by the Community. The U.S. and Japan will probably feel the pinch of reciprocity demands the most, since they permit far fewer securities, insurance, and investment activities for banks within their borders than do most European countries. Australia, Canada, and even Switzerland also may be affected because of continued restrictions on the entry of foreign banks to their markets.

securities underwriting, are already subject to intense foreign competition in most countries. Over the past 20 years, however, cross-border financial flows have been heavily influenced by taxes and regulation.

Borrowers and investors, as you know, flocked to London in the 1970s and early 1980s mainly because London was free from the withholding taxes, reserve requirements, interest rate ceilings, and product restrictions that hampered the growth of business on the Continent, and in New York and Tokyo. And today, France, Italy, the Netherlands, and Spain are beginning to reap the benefits of having taken steps to liberalize their capital markets over the past few years: business that had migrated abroad is flowing back.

I doubt that the growth of domestic markets will sound the death knell for the London-based Euromarkets, however. London is likely to remain a major international financial center, provided that changes adopted in London in light of regulatory and tax harmonization in the European Community do not impose onerous costs on financial dealings with investors from outside the Community.

Too Soon for a Single Currency

Looking ahead, any movement towards a single European central bank and a single European currency may again cause international finance to gravitate towards a single financial center, located most likely close to the central bank. But, realistically, a full-fledged European central bank belongs to the realm of the future.

A European currency replacing national currencies would indeed be the crowning achievement of European integration, but it would require the member countries to give up control over monetary policy, and reduce their control over fiscal policy within national borders. They have shown no inclination to surrender power to that extent. For my money, there seems little point in pursuing this remote goal now; instead, the step-by-step improvement of economic policy coordination and patient dismantling of barriers between national economies is challenge enough.

What about the currency markets, assuming we continue to have marks and francs with us for the foreseeable future? The European Community

Any deregulation that results from demands for reciprocity may strengthen the ability of New York and Tokyo to compete with the European Community's financial centers.

Perhaps ironically, any deregulation that results from demands for reciprocity may strengthen the ability of New York and Tokyo to compete with the European Community's financial centers, and particularly with London. The potential return of some dollar business to New York and yen business to Tokyo at the expense of London should parallel the repatriation of home-currency business to European financial centers. Banks and securities firms in these centers have a natural advantage over their London-based brethren in being closer to home-currency issuers, borrowers, and investors.

This trend toward decentralization, if it develops, would contradict the view that the wholesale market for financial services, in contrast to the retail market, will not be much affected by 1992. The theory is that financial services used by corporations, such as trade finance, commercial lending, and

members' commitment last week in Luxembourg to remove most remaining capital controls within two years is sure to create more pressures within the European Monetary System. This in turn will require more frequent realignments — or broader control bands — unless policymakers realize their stated objective to improve macroeconomic coordination.

More volatility and frequent realignments might well argue for an increase in the use of the European currency unit within the community, a trend that Europewide business activity may also encourage. Invoicing in ECUs, for instance, is becoming more appealing; and the market for financial products denominated in ECUs may expand as restrictions on holding ECUs are removed.

I'd like to turn now to the prospect of business restructuring in European fi-

Required Reading: Page 20 ▶

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1st Tennessee Calls Off Deal with Large Thrift

By ANDREA BENNETT
Washington Bureau

CHICAGO — First Tennessee National Corp. called off the acquisition of a large Tennessee savings and loan when it learned the thrift plans a substantial boost to its loan-loss reserve.

First Tennessee, based in Memphis, is the state's second largest bank holding company, with assets of about $5.9 billion. The company terminated the proposed acquisition of Metropolitan Federal Savings and Loan Association, Nashville, following completion of its due-diligence review. Metropolitan, with about $1 billion in assets, is Tennessee's second largest savings and loan.

The nonbinding deal, announced in April, was valued at about $127.9 million. It was called off after First Tennessee asked to reopen negotiations, Metropolitan said, when the thrift disclosed the addition to reserves in its fiscal fourth quarter, ending June 30. Metropolitan Federal said its board unanimously rejected the request to renegotiate.

In announcing the termination, Metropolitan Federal also said that the increased regulatory problems of merging a healthy thrift with a commercial banking company were prolonging the time for completing a possible merger.

"I don't agree with that assessment," said Lee Welch, First Tennessee's executive vice president and general counsel. "I think it [the merger] was doable. The regulatory environment had nothing to do with it."

Metropolitan Federal announced this week it expects to report a loss for the fourth quarter because of the $21 million addition to its loan-loss reserve, raising reserves from 0.89% of loans as of March 31 to about 1.95% of total loans.

The thrift did not specify the expected fourth-quarter loss. However, Merilyn Herbert, senior vice president, said Metropolitan Federal will probably report a loss for the fiscal year of $6 million to $7 million. Metropolitan Federal earned $7.7 million for the first nine months of the fiscal year.

The boost in the reserves primarily reflects problems with loans for investor-owned commercial real estate projects that have been affected by the Tax Reform Act of 1986, she said.

Ms. Herbert described the boost in loan-loss reserves as a "one-time thing." She pointed out the thrift will have an equity-to-assets ratio of 7.3% following the addition, more than double the level required for thrifts.

"We're a very strong institution. We expect to have good earnings for the next fiscal year," she said. ■

Hanover in $475 Million Offering Backed by Credit Cards

By EVELYN WALLACE
The Bond Buyer

NEW YORK — Manufacturers Hanover Corp. joined the fast-moving asset-backed securities market this week with an offering of certificates backed by credit cards.

The $475 million offering of Manufacturers Hanover Amortizing Revolving Card Certificates makes Manufacturers the third money center bank to publicly securitize its card receivables. BankAmerica Corp. and First Chicago Corp. have also securitized the receivables.

The issue was comanaged by Manufacturers Hanover Trust Co. and lead-managed by Salomon Brothers Inc.

Volume in the asset-backed market this year has totaled just over $6 billion so far this year, according *Asset Sales Report*, an *American Banker* newsletter. That is more than double the $2.7 billion tallied for the same period in 1987.

The five-year Manufacturers Hanover issue has an expected average life of 2.35 years and carries a coupon of 8.85%. It was offered at 99.79 to yield 8.95%, 70 basis points above comparable Treasuries.

The issue is expected to be part of a program of future securitizations, but no specific agenda has been set, said Mark Scanlon, vice president of corporate finance at Manufacturers. The bank has a $2.6 billion portfolio of credit card receivables.

Both Moody's Investors Service and Standard & Poor's Corp. rated the issue triple-A, largely on the basis of a 13% letter of credit from Union Bank of Switzerland. ■

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Dear Reader, How Are We Doing?

The *American Banker* wants to make sure our ranking of thrifts in second mortgage loans meets your information needs. Please return this questionnaire to: William Zimmerman, Editor, American Banker, One State Street Plaza, New York, N.Y. 10004 (212) 943-5712.

(1.) How would you **change** the feature to make it more useful?

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(3.) What do you like **least** about it?

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(4.) How do you use the feature?

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Name (optional)_____

Title and Company_____

Address_____

_____

2d Mortgages Grew in 1987 At Top Thrifts

By PHIL ROOSEVELT

NEW YORK — The top 300 thrifts in second mortgages increased their holdings of these loans by 7.1% last year. But second mortgages made up a slightly smaller percentage of the group's total mortgage credit outstanding than in 1986, according to an *American Banker* survey.

City Federal Savings Bank, Bedminster, N.J., retained the top spot, with $757.8 million in second mortgages at the end of 1987. Citicorp Savings of Florida, Miami, and Sears Savings Bank, Glendale, Calif., retained the No. 2 and No. 3 posts, respectively.

John Atherton, president and deputy chief executive of City Federal, attributed the thrift's lead to a four-year-old push in home equity lines of credit, the dominant form of second mortgages. "We got in early and had an opportunity to build market share," he said.

City Federal, which concentrates on the New Jersey and Florida markets, had a 1.82% drop in aggregate second mortgage holdings in 1987. But home equity lines outstanding grew by 35%, and the thrift continues to originate about $25 million a month in those loans, City Federal said.

The survey was based on Federal Home Loan Bank Board data on second mortgages, as reported by member thrifts. Second mortgages accounted for 2.7% of total mortgage loans held by the top 300 at the end of 1987, down from 2.86% a year earlier.

Among all thrifts insured by the Federal Savings and Loan Insurance Corp., second mortgages outstanding dropped 2.07% during the year to $14.3 billion, according to the Bank Board data.

But SMR Research Corp., Budd Lake, N.J., said the Bank Board data are misleading. A study by SMR shows that the thrift industry actually increased its second mortgage holdings by a full 40% last year, to $42 billion.

Jeffrey Tuchman, a vice president at SMR, said the Bank Board figures understate second mortgage activity by failing to count second mortgages held by thrifts with first mortgages collateralized by the same properties.

In addition, he said, thrifts often report their home equity lines of credit as consumer or home improvement loans, rather than second mortgages — a practice that a Bank Board official said is allowable.

Richard Pickering, deputy director of policy and economic research at the Bank Board, said its second mortgage information "is still of value even though we know there is this peculiarity in reporting." He said he doubted the Bank Board data were as seriously skewed as the SMR study might suggest.

Some of the confusion may soon be alleviated. Beginning with the quarter ending in June, Mr. Pickering said, the Bank Board will require thrifts to disclose their holdings of home equity lines of credit, regardless of whether the thrifts consider the loans second mortgages or consumer credit.

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Top 300 Thrifts in Second Mortgage Loans

Based on the Quarterly Financial Report to the FHLBB for Dec. 31, 1987, compared with Dec. 31, 1986 (dollar amounts in thousands)

Rank 12/31/87		Second Mortgage Loans 12/31/87	12/31/86	% Chg.	Total Mortgage Loans 12/31/87	12/31/86	Ratio: 2nd Mtg. Loans/Total 12/31/87	12/31/86
1	City Federal Savings Bank, Bedminster, N.J.	757,836	771,856	-1.82	9,199,789	8,979,930	8.24	8.60
2	Citicorp Savings of Florida, FS&LA, Miami	623,417	557,380	11.85	2,293,222	2,398,595	27.19	23.24
3	Sears Savings Bank, Glendale, Calif.	474,560	435,183	9.05	3,704,245	4,964,459	12.81	8.77
4	Glendale FS & LA, Calif.	437,315	308,519	41.75	18,284,767	14,054,176	2.39	2.20
5	TCF Banking & Savings, FA, Minneapolis	355,780	304,516	16.83	4,122,974	4,319,183	8.63	7.05
6	California FS & LA, Los Angeles	276,125	187,843	47.00	17,539,251	15,945,352	1.57	1.18
7	San Jacinto Savings Assn., Bellaire, Tex.	266,722	296,877	-10.16	1,890,350	1,994,074	14.11	14.89
8	St. Paul Federal Bank for Savings, Chicago	240,243	111,340	115.77	2,476,752	2,153,288	9.70	5.17
9	Household Bank, FSB, Newport Beach, Calif.	226,686	247,622	-8.45	2,691,070	1,856,738	8.42	13.34
10	Gibraltar Savings Assn., Houston	225,947	47,867	372.03	4,047,804	2,966,847	5.58	1.61
11	Long Island Savings Bank, FSB, Syosset, N.Y.	219,620	18,010	1,119.43	1,930,990	1,711,706	11.37	1.05
12	Coast SavingsLoan Assn., Los Angeles	215,131	228,731	-5.95	9,262,229	6,900,967	2.32	3.31
13	Dime Savings Bank of New York, FSB, Garden City	204,941	126,593	61.89	9,386,406	6,331,080	2.18	2.00
14	Western Federal Savings & Loan Assn., Dallas	195,241	366,577	-46.74	1,169,478	1,939,711	16.69	18.90
15	Great American First Savings Bank, San Diego, Calif.	174,785	30,734	468.70	8,854,127	8,173,524	1.97	0.38
16	Murray Savings Assn., Dallas	166,062	194,538	-14.64	1,009,761	897,254	16.45	21.68
17	Goldome Savings Assn., St. Petersburg, Fla.	165,372	119,155	38.79	1,095,274	1,216,737	15.10	9.79
18	Western Federal Savings & Loan Assn., Marina Del Rey, Calif.	159,711	160,458	-0.47	1,795,459	1,524,141	8.90	10.53
19	Pacific First Federal Savings Bank, Tacoma, Wash.	155,782	118,371	31.60	3,777,937	3,371,783	4.12	3.51
20	First Nationwide Bank, FSB, San Francisco	148,764	179,993	-17.35	12,471,574	10,898,857	1.19	1.65
21	American Savings & Loan Assn., Stockton, Calif.	146,729	346,002	-57.59	28,593,439	29,706,763	0.51	1.16
22	First Texas Savings Assn., Dallas	145,160	308,207	-52.90	2,323,711	2,646,660	6.25	11.65
23	Home Federal Savings & Loan Assn., San Diego, Calif.	130,566	179,181	-27.13	12,104,354	10,109,572	1.08	1.77
24	Pomona First Federal Savings & Loan Assn., Calif.	124,529	133,852	-6.97	1,060,113	960,159	11.75	13.94
25	Fulton Federal Savings & Loan Assn., Atlanta	123,200r	105,500r	16.78	2,085,170	1,583,194	5.91	6.66
26	American Savings Bank, FSB, New York	116,497	55,048	111.63	3,056,169	2,775,673	3.81	1.98
27	Far West Savings & Loan Assn., Newport Beach, Calif.	115,138	75,140	53.23	3,143,789	2,503,515	3.66	3.00
28	Dixie Savings & Loan Assn., New Orleans, LA	112,834	91,722	23.02	1,331,652	1,051,999	8.47	8.72
29	Citicorp Savings, FS & LA, San Francisco	112,780	310,716	-63.70	5,492,094	3,832,574	2.05	8.11
30	Fidelity Federal Savings & Loan Assn., Glendale, Calif.	108,655	166,902	-34.90	3,431,268	2,958,580	3.17	5.64
31	Merabank, FSB, Phoenix	106,485	45,199	135.59	5,106,887	4,947,751	2.09	0.91
32	Imperial Savings Assn., San Diego, Calif.	102,407	10,651	861.48	7,562,642	6,480,891	1.35	0.16
33	Essex Savings Bank, Inc., Elizabeth City, N.C.	102,228	81,846	24.90	153,891	92,136	66.43	88.83
34	Loyola Federal Savings & Loan Assn., Baltimore	102,153	97,518	4.75	1,402,293	1,264,297	7.28	7.71
35	Westwood Savings & Loan Assn., Los Angeles	100,542	53,049	89.53	386,041	361,166	26.04	14.69
36	Shadow Lawn Savings & Loan Assn., Long Branch, N.J.	99,970	62,672	59.51	595,877	544,306	16.78	11.51
37	American Savings & Loan Assn., Salt Lake City, Utah	96,837	134,713	-28.12	1,491,206	2,022,434	6.49	6.66
38	Resource Savings Assn., Denison, Tex.	94,524	91,008	3.86	390,675	402,840	24.20	22.59
39	Berkeley Federal Savings & Loan Assn., Millburn, N.J.	94,269	.....	...	755,696	587,769	12.47	...
40	Dominion Federal Savings & Loan Assn., Tysons, Va.	92,776	54,549	70.08	1,745,078	1,576,566	5.32	3.46
41	First Jersey Savings & Loan Assn., Wyckoff, N.J.	87,609	116,318	-24.68	270,052	291,106	32.44	39.96
42	Perpetual Savings Bank, FSB, McLean, Va.	85,731	57,746	48.46	3,085,243	2,950,842	2.78	1.96
43	Skokie Federal Savings & Loan Assn., Ill.	82,246	75,613	8.77	766,483	783,807	10.73	9.65
44	Great Western Bank, FSB, Beverly Hills	81,134	124,589	-34.88	23,863,713	20,519,912	0.34	0.61
45	University Savings Assn., Houston	80,274	62,877	27.67	2,874,776	2,928,196	2.79	2.15
46	Valley Federal Savings & Loan Assn., Van Nuys, Calif.	77,478	116,115	-33.27	2,898,081	2,108,248	2.67	5.51
47	First Federal of Michigan, Detroit	75,781	114,393	-33.75	8,338,824	7,869,701	0.91	1.45
48	Beverly Hills Savings, FS & LA, Calif.	75,384	76,857	-1.92	854,558	1,272,882	8.82	6.04
49	Citizens Savings Bank, FSB, Providence, R.I.	73,436	41,768	75.82	1,153,642	912,894	6.37	4.58
50	Stockton Savings Assn., Dallas	72,822	85,624	-14.95	434,179	423,113	16.77	20.24
51	Monroe Savings Bank, FSB, Rochester, N.Y.	71,304	54,085	31.84	470,080	472,766	15.17	11.44
52	Lyon Savings, FS & LA, Hinsdale, Ill.	67,795	.....	...	1,741,901	.....	3.89	...
53	Security Federal Savings & Loan Assn., Columbia, S.C.	65,094	46,361	40.41	631,423	677,675	10.31	6.84
54	Decatur Federal Savings & Loan Assn., Ga.	61,252	40,018	53.06	1,828,373	1,582,121	3.35	2.53
55	Lincoln Federal Savings & Loan Assn., Westfield, N.J.	60,500	100,434	-39.76	773,573	862,968	7.82	11.64
56	Numerica Savings Bank, FSB, Manchester, N.H.	58,924	37,691	56.33	507,794	416,468	11.60	9.05
57	Southwest Savings & Loan Assn., Phoenix	58,495	70,799	-17.38	1,740,343	1,645,197	3.36	4.30
58	First Federal Savings Bank of California, Santa Monica	55,162	66,905	-17.55	1,674,894	1,293,255	3.29	5.17
59	Brookside Savings & Loan Assn., Pasadena, Calif.	54,593	56,241	-2.93	401,081	401,949	13.61	13.99
60	Penn Savings Bank, FSB, Wyomissing, Pa.	53,869	.....	...	730,313	499,093	7.38	...
61	Investors Savings & Loan Assn., Millburn, N.J.	53,525	48,170	11.12	297,152	652,066	18.01	7.39
62	Empire of America, FSB, Buffalo, N.Y.	52,841	22,658	133.21	6,246,372	3,676,551	0.85	0.62
63	South Carolina Federal Savings & Loan Assn., Columbia	51,405	39,522	30.07	514,787	505,950	9.99	7.81
64	Lakeland Savings Bank SLA, Succasunna, N.J.	46,405	32,062	44.74	230,358	173,788	20.14	18.45
65	Investors Savings Bank, Richmond	46,291	23,993	92.94	1,614,546	1,227,151	2.87	1.96
66	Briercroft Savings Assn., Austin, Tex.	43,876	66,124	-33.65	512,455	456,738	8.56	14.48
67	American Savings Bank, FSB, Honolulu	42,364	.....	...	1,025,086	.....	4.13	...
68	Lincoln Savings Bank, FSB, Brooklyn, New York	42,238	24,491	72.46	1,885,021	1,889,684	2.24	1.30
69	Homestead Savings, FS & LA, San Francisco	41,806	1,615	2,488.61	3,938,435	4,103,657	1.06	0.04
70	Gibraltar Savings, Beverly Hills	41,676	79,302	-47.45	10,810,378	8,570,562	0.39	0.93
71	Gibraltar Savings & Loan Assn., Mendham, N.J.	41,398	35,417	16.89	84,083	90,770	49.23	39.02
72	Newport Balboa Savings, FA, Newport Beach, Calif.	41,189	53,938	-23.64	443,336	323,786	9.29	16.66
73	County Savings Bank, Santa Barbara, Calif.	40,642	48,292	-15.84	1,090,570	758,665	3.73	6.37
74	Talman Home Federal Savings & Loan Assn., Chicago	39,844	41,953	-5.03	4,780,435	4,093,958	0.83	1.02
75	Downey Savings & Loan Assn., Costa Mesa, Calif.	39,393	45,455	-13.34	2,261,369	1,687,371	1.74	2.69
76	Citicorp Savings of Illinois, FS&LA, Chicago	39,268	55,300	-28.99	4,090,554	4,517,956	0.96	1.22
77	First Federal Savings & Loan Assn. of America, Honolulu	38,605	45,290	-14.76	594,487	549,922	6.49	8.24
78	Boston Five Cents Savings Bank, FSB	38,298	10,034	281.68	1,809,732	1,477,911	2.12	0.68
79	Sooner Federal Savings & Loan Assn., Tulsa, Okla.	38,220	.....	...	1,074,681	1,101,892	3.56	...
80	Old Stone Bank, FSB, Providence, R.I.	36,386	12,831	183.58	2,577,921	2,126,118	1.41	0.60
81	Guardian Savings & Loan Assn., Long Beach, Calif.	36,216	179	20,132.40	304,848	197,676	11.88	0.09
82	Prospect Park Savings & Loan Assn., West Paterson, N.J.	36,106	23,771	51.89	386,119	296,893	9.35	8.01
83	First Keystone Federal Savings Bank, Chester, Pa.	35,985	33,389	7.78	272,754	239,851	13.19	13.92
84	Redlands Federal Savings & Loan Assn., Calif.	35,585	39,758	-10.50	587,478	508,638	6.06	7.82
85	Leader Federal Savings & Loan Assn., Memphis, Tenn.	34,894	37,056	-5.83	1,485,021	1,328,297	2.35	2.79
86	French Market Homestead, FSA, Metairie, La.	34,680	.....	...	225,503	.....	15.38	...
87	Western Financial Savings Bank, Orange, Calif.	34,354	19,704	74.35	897,025	709,959	3.83	2.78
88	Crestmont Federal Savings & Loan Assn., Edison Township, N.J.	34,314	21,865	56.94	1,349,218	1,017,046	2.54	2.15
89	San Francisco Federal Savings & Loan Assn.	33,691	52,724	-36.10	2,580,510	2,010,033	1.31	2.62
90	First Federal Savings & Loan Assn., San Antonio, Texas	33,637	38,492	-12.61	567,930	553,083	5.92	6.96
91	Long Beach Savings & Loan Assn., Calif.	33,104	42,855	-22.75	445,060	344,741	7.44	12.43
92	Benjamin Franklin Savings Assn., Houston	32,865	15,738	108.83	1,430,941	1,387,637	2.30	1.13
93	Albany Savings Bank, FSB, N.Y.	32,618	21,411	52.34	1,158,295	1,021,839	2.82	2.10
94	Capital Federal Savings & Loan Assn., Sacramento, Calif.	32,330	49,615	-34.84	815,180	695,997	3.97	7.13
95	First Western Savings Assn., Las Vegas, Nev.	32,034	48,498	-33.95	902,805	746,300	3.55	6.50
96	Bay Financial Savings Bank, Tampa, Fla.	31,237	30,212	3.39	80,307	81,172	38.90	37.22
97	Capitol Federal Savings & Loan Assn., Aurora, Colo.	31,213	8,202	280.55	1,061,582	1,001,549	2.94	0.82
98	South Savings & Loan Assn., Slidell, La.	31,079	38,290	-18.83	232,661	261,046	13.36	14.67
99	Georgia Federal Bank, FSB, Atlanta	31,039	5,083	510.64	2,815,025	2,238,132	1.10	0.23
100	First Network Savings Bank, Los Angeles	30,819	33,189	-7.14	111,114	91,245	27.74	36.37
	Totals for the Top 100	**10,840,672**	**9,806,550**	**10.55**	**317,845,964**	**279,635,070**	**3.41**	**3.51**
	Totals for All FSLIC-Insured Thrifts	**14,307,000**	**14,610,000**	**-2.07**	**881,816,000**	**813,845,000**	**1.62**	**1.80**

Data Source: All data are taken from the Quarterly Financial Report to the Federal Home Loan Bank Board. Most of the thrifts reporting to the FHLBB are FSLIC-insured institutions. Most FDIC-insured thrifts are excluded. Data were provided by **ADP Data Services Division, New York. Second Mortgage Loans** are all mortgage loans secured by junior liens, except those where the institution holds all prior liens. **Total Mortgage Loans** are the unpaid balance of all mortgage loans and contracts held as assets of the bank. Included are first and second mortgages and mortgage-backed pass-through securities. **Ratio:2nd Mtg. Loans/Total** is second mortgage loans expressed as a percentage of the institution's total mortgage loans and contracts. **N.A.— Not available. (r)—** Revised by the thrift

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Top 300 Thrifts in Second Mortgage Loans

Based on the Quarterly Financial Report to the FHLBB for Dec. 31, 1987, compared with Dec. 31, 1986 (dollar amounts in thousands)

Rank 12/31/87		Second Mortgage Loans			Total Mortgage Loans		Ratio: 2nd Mtg. Loans/Total	
		12/31/87	12/31/86	% Chg.	12/31/87	12/31/86	12/31/87	12/31/86
101	Southern California Savings & Loan Assn., FS&LA, Beverly Hills	30,405	48,092	-36.78	1,084,954	776,346	2.80	6.19
102	Regency Savings Bank, FSB, Ann Arbor, Mich.	30,065	48,846	-38.45	173,315	237,661	17.35	20.55
103	Mercury Savings & Loan Assn., Huntington Beach, Calif.	29,672	37,843	-21.59	1,917,874	1,459,564	1.55	2.59
104	First Federal Savings & Loan Assn., Raleigh, N.C.	28,063	19,990	40.39	553,250	530,472	5.07	3.77
105	Security Savings & Loan Assn., Jackson, Miss.	27,871	35,046	-20.47	323,768	248,946	8.61	14.08
106	Virginia Beach Federal Savings & Loan Assn.	27,672	42,579	-35.01	697,693	664,205	3.97	6.41
107	Yorkwood Savings & Lona Assn., Maplewood, N.J.	27,572	19,934	38.32	179,566	154,480	15.35	12.90
108	Lakeview Savings & Loan Assn., Paterson, N.J.	27,571	21,679	27.18	120,126	92,319	22.95	23.48
109	Pathway Financial, FA, Chicago	27,489	28,385	-3.16	756,830	785,435	3.63	3.61
110	World Savings & Loan Assn., FS&LA, Oakland, Calif.	27,215	45,381	-40.03	11,419,799	10,683,740	0.24	0.42
111	Sacramento Savings & Loan Assn., Calif.	27,202	15,917	70.90	1,578,906	1,281,919	1.72	1.24
112	Pan American Savings Bank, San Mateo, Calif.	26,979	39,652	-31.96	219,444	187,055	12.29	21.20
113	Unity Savings & Loan Assn., Beverly Hills	26,954	38,365	-29.74	345,237	327,103	7.81	11.73
114	Home Savings of America, FA, Los Angeles	26,764	53,568	-50.04	24,879,075	19,866,825	0.11	0.27
115	First Federal Savings & Loan Assn., Jacksonville, Fla.	26,094	48,125	-45.78	960,541	904,804	2.72	5.32
116	Bell Savings & Loan Assn., FS&LA, San Mateo, Calif.	25,906	29,108	-11.00	797,927	918,546	3.25	3.17
117	Meritor Savings, FA, Winter Haven, Fla.	25,841	343	7,433.82	580,323	518,971	4.45	0.07
118	Washington Federal Savings & Loan Assn., Seattle	25,754	.....	...	1,343,863	1,121,255	1.92	...
119	Benjamin Franklin Federal Savings & Loan Assn., Portland, Ore.	25,614	28,569	-10.34	3,542,721	3,466,377	0.72	0.82
120	Somerset Savings & Loan Assn., Bound Brook, N.J.	25,509	16,689	52.85	259,334	220,738	9.84	7.56
121	Chevy Chase Savings Bank, FSB, Md.	24,220	26,855	-9.81	2,553,440	2,228,394	0.95	1.21
122	Beneficial Savings Bank, FSB, Orlando, Fla.	23,634	13,301	77.69	59,742	29,632	39.56	44.89
123	Pelican Homestead & Savings Assn., Metairie, La.	23,189	10,915	112.45	1,171,526	712,468	1.98	1.53
124	Home Owners Federal Savings & Loan Assn., Boston	23,078	471	4,799.79	1,695,275	843,002	1.36	0.06
125	Yorkridge-Calvert Savings & Loan Assn., Pikesville, Md.	22,087	8,403	162.85	503,197	434,221	4.39	1.94
126	Germantown Trust Savings Bank, Tenn.	21,981	34,978	-37.16	113,851	139,757	19.31	25.03
127	International Savings & Loan Assn., Ltd., Honolulu	21,802	25,660	-15.04	354,578	321,800	6.15	7.97
128	Columbia Savings & Loan Assn., Beverly Hills	21,621	14,672	47.36	4,927,391	4,225,624	0.44	0.35
129	Bayshore Savings Assn., La Porte, Tex.	21,480	27,822	-22.79	46,504	47,364	46.19	58.74
130	First Federal Savings & Loan Assn., Pittsburgh	20,023	16,192	23.66	1,917,165	1,848,303	1.04	0.88
131	First Federal Savings & Loan Assn., Rochester, N.Y.	19,873	21,370	-7.01	3,932,008	3,481,993	0.51	0.61
132	Citicorp Savings of Washington, D.C., FS&LA	19,742	18,985	3.99	703,712	816,350	2.81	2.33
133	Milford Federal Savings & Loan Assn., Mass.	19,237	17,664	8.91	168,510	133,503	11.42	13.23
134	North Jersey Savings & Loan Assn., Passaic, N.J.	19,227	23,943	-19.70	276,122	324,977	6.96	7.37
135	Bay View Federal Savings & Loan Assn., San Mateo, Calif.	19,203	40,095	-52.11	1,820,269	1,437,219	1.05	2.79
136	John Hanson Savings & Loan Assn., Inc., Beltsville, Md.	18,981	13,996	35.62	912,328	589,088	2.08	2.38
137	Washington Federal Savings Bank, Washington, D.C.	18,440	12,855	43.45	904,459	745,854	2.04	1.72
138	New Horizons Savings & Loan Assn., San Rafael, Calif.	17,869	18,072	-1.12	125,917	87,717	14.19	20.60
139	Columbia First Federal Savings & Loan Assn., Washington, D.C.	17,565	16,883	4.04	1,674,754	1,568,915	1.05	1.08
140	Irving Savings & Loan Assn., Paterson, N.J.	17,399	27,507	-36.75	205,032	203,663	8.49	13.51
141	Commonwealth Savings Assn., Houston	17,225	15,199	13.33	1,383,279	1,353,290	1.25	1.12
142	American Federal Savings & Loan Assn., Des Moines, Iowa	17,210	7,911	117.55	863,796	899,576	1.99	0.88
143	Pacific Savings Bank, Costa Mesa, Calif.	17,013	18,784	-9.43	921,762	1,233,730	1.85	1.52
144	Metropolitan Federal Savings & Loan Assn., Nashville, Tenn.	16,829	26,407	-36.27	879,983	791,391	1.91	3.34
145	Commonwealth Savings & Loan Assn., Margate, Fla.	16,752	21,655	-22.64	1,058,441	818,035	1.58	2.65
146	United Federal Savings Bank, Des Moines, Iowa	16,164	16,028	0.85	715,643	704,906	2.26	2.27
147	Long Island Savings Bank of Centereach, FSB, N.Y.	16,134	22,778	-29.17	2,306,839	2,495,759	0.70	0.91
148	Far West Federal Bank, SB, Portland, Ore.	15,890	13,052	21.74	1,260,604	1,229,926	1.26	1.06
149	Central Federal Savings, FSB, Long Beach, N.Y.	15,865	30,346	-47.72	613,310	587,223	2.59	5.17
150	Ohio Savings Bank, Cleveland	15,844	22,012	-28.02	1,082,310	1,094,483	1.46	2.01
151	First Savings & Loan Assn., Beverly Hills	15,760	17,498	-9.93	62,408	37,150	25.25	47.10
152	Hunter Savings Assn., Cincinnati	15,696	.....	...	667,780	669,599	2.35	...
153	Progressive Savings & Loan Assn., Alhambra, Calif.	15,675	21,587	-27.39	449,445	346,125	3.49	6.24
154	Albuquerque Federal Savings & Loan Assn. N.M.	15,546	23,948	-35.08	1,145,378	1,189,604	1.36	2.01
155	Century Federal Savings & Loan Assn., Santa Monica, Calif.	15,440	19,922	-22.50	716,629	663,324	2.15	3.00
156	Butterfield Savings & Loan Assn., FS & LA, Santa Ana, Calif.	15,070	34,160	-55.88	341,028	386,819	4.42	8.83
157	Central Savings & Loan Assn., New Orleans	15,029	14,451	4.00	46,265	53,442	32.48	27.04
158	People's Homestead Federal Bank for Savings, Monroe, La.	14,748	12,076	22.13	223,807	198,781	6.59	6.08
159	Standard Federal Savings & Loan Assn., Gaithersburg, Md.	14,619	70,211	-79.18	896,094	913,204	1.63	7.69
160	Surety Savings Assn., El Paso, Tex.	14,227	14,507	-1.93	190,372	208,816	7.47	6.95
161	Collective Federal Savings Bank, Egg Harbor City, N.J.	14,114	17,575	-19.69	1,665,078	1,287,725	0.85	1.36
162	First Federal Savings & Loan Assn., LaCrosse, Wis.	14,113	10,911	29.35	352,745	326,319	4.00	3.34
163	Great American First Savings Bank, FSB, Tucson, Ariz.	14,088	16,028	-12.10	3,206,703	2,412,485	0.44	0.66
164	Creditbanc Savings Assn., Austin, Tex.	14,059	13,541	3.83	346,135	401,491	4.06	3.37
165	Unifirst Bank for Savings, FA, Jackson, Miss.	13,924	3,624	284.22	568,256	575,640	2.45	0.63
166	Colonial Savings Assn. of America, Liberal, Kan.	13,894	8,726	59.23	62,970	66,639	22.06	13.09
167	American Federal Savings & Loan Assn., Denver	13,853	23,056	-39.92	853,801	815,014	1.62	2.83
168	Citizens Savings Bank, FSB, Silver Spring, Md.	13,336	9,561	39.48	525,682	439,084	2.54	2.18
169	Home Federal Savings Bank, Seymour, Ind.	13,328	8,378	59.08	234,778	237,602	5.68	3.53
170	Meritbanc Savings Assn., Silsbee, Tex.	13,252	14,132	-6.23	159,060	93,491	8.33	15.12
171	Investors Savings Bank, FSB, Minneapolis	13,242	12,643	4.74	249,391	156,461	5.31	8.08
172	First Federal Savings & Loan Assn., Charleston, S.C.	13,164	14,485	-9.12	651,268	635,717	2.02	2.28
173	American Federal Bank, FSB, Greenville, S.C.	13,104	3,862	239.31	617,635	565,759	2.12	0.68
174	Central Jersey Savings & Loan Assn., East Brunswick, N.J.	12,969	11,560	12.19	294,614	281,902	4.40	4.10
175	Seamen's Bank for Savings, FSB, New York	12,922	13,892	-6.98	3,297,032	2,873,163	0.39	0.48
176	Hemet Federal Savings & Loan Assn., Calif.	12,914	16,520	-21.83	390,446	381,357	3.31	4.33
177	Union Federal Savings & Loan Assn., Los Angeles	12,909	16,271	-20.66	1,731,692	1,368,310	0.75	1.19
178	Pima Savings & Loan Assn., Tucson, Ariz.	12,508	15,896	-21.31	2,200,914	2,049,974	0.57	0.78
179	Pacific Coast Savings & Loan Assn. of America, San Francisco	12,419	24,855	-50.03	767,308	626,364	1.62	3.97
180	Sun Savings & Loan Assn., Loveland, Colo.	12,098	5,956	103.12	239,082	216,803	5.06	2.75
181	Yorkville Federal Savings & Loan Assn., Bronx, New York	11,962	10,969	9.05	296,863	224,076	4.03	4.90
182	First Federal of the Carolinas, FA, High Point, N.C.	11,890	6,579	80.73	218,189	204,118	5.45	3.22
183	Gem Savings Assn., Dayton, Ohio	11,838	14,539	-18.58	932,325	920,118	1.27	1.58
184	First Federal of Arkansas, FA, Little Rock	11,770	12,997	-9.44	1,361,060	1,484,216	0.86	0.88
185	Republic Savings Bank, FSB, Benton, Ky.	11,573	4,560	153.79	182,658	143,654	6.34	3.17
186	Arlington Heights Federal Savings & Loan Assn., Ill.	11,378	9,762	16.55	282,558	269,746	4.03	3.62
187	Citizens Federal Savings & Loan Assn., Miami	11,171	16,307	-31.50	2,411,918	1,980,132	0.46	0.82
188	Columbia Savings, FS & LA, Englewood, Colo.	11,160	31,609	-64.69	2,273,939	2,267,530	0.49	1.39
189	Pioneer Savings & Loan Assn., McPherson, Kan.	11,147	11,376	-2.01	267,531	140,611	4.17	8.09
190	Mutual Federal Savings & Loan Assn., Norfolk, Va.	11,103	7,340	51.27	297,489	348,390	3.73	2.11
191	Bankers First Federal Savings & Loan Assn., Augusta, Ga.	11,088	11,348	-2.29	506,339	517,108	2.19	2.19
192	Mutual Federal Savings Bank, Muncie, Ind.	10,980	2,284	380.74	234,555	227,193	4.68	1.01
193	First Federal Savings & Loan Assn., Lafayette, Ind.	10,978	7,240	51.63	144,064	129,848	7.62	5.58
194	Blue Valley Federal Savings & Loan Assn., Kansas City, Mo.	10,786	1,005	973.23	709,842	764,999	1.52	0.13
195	Commonwealth Federal Savings & Loan Assn., Norristown, Pa.	10,622	15,843	-32.95	699,848	813,560	1.52	1.95
196	Atlantic Financial Savings Bank, FSB, Bala-Cynwyd, Pa.	10,500	15,075	-30.35	492,369	269,397	2.13	5.60
197	American Home Savings, FSB, Salem, Ore.	10,381	1,837	465.11	345,694	201,122	3.00	0.91
198	Western Savings & Loan Assn., Phoenix	10,377	19,016	-45.43	2,376,429	2,369,843	0.44	0.80
199	First Federal Savings & Loan Assn., East Hartford, Conn.	10,332	3,789	172.68	257,534	208,355	4.01	1.82
200	Anchor Savings Bank, FSB, Northport, N.Y.	10,317	14,368	-28.19	4,756,714	4,455,363	0.22	0.32
	Totals for the Top 200	**12,601,834**	**11,717,147**	**7.55**	**446,933,971**	**393,927,537**	**2.82**	**2.97**
	Totals for All FSLIC-Insured Thrifts	**14,307,000**	**14,610,000**	**-2.07**	**881,816,000**	**813,845,000**	**1.62**	**1.80**

Data Source: All data are taken from the Quarterly Financial Report to the Federal Home Loan Bank Board. Most of the thrifts reporting to the FHLBB are FSLIC-insured institutions. Most FDIC-insured thrifts are excluded. Data were provided by **ADP Data Services Division, New York. Second Mortgage Loans** are all mortgage loans secured by junior liens, except those where the institution holds all prior liens. **Total Mortgage Loans** are the unpaid balance of all mortgage loans and contracts held as assets of the bank. Included are first and second mortgages and mortgage-backed pass-through securities. **Ratio:2nd Mtg. Loans/Total** is second mortgage loans expressed as a percentage of the institution's total mortgage loans and contracts. **N.A.— Not available.**

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Top 300 Thrifts in Second Mortgage Loans

Based on the Quarterly Financial Report to the FHLBB for Dec. 31, 1987, compared with Dec. 31, 1986 (dollar amounts in thousands)

Rank 12/31/87		Second Mortgage Loans 12/31/87	12/31/86	% Chg.	Total Mortgage Loans 12/31/87	12/31/86	Ratio: 2nd Mtg. Loans/Total 12/31/87	12/31/86
201	Ceniar Federal Savings Bank, Pennington, N.J.	10,268	5,779	77.68	499,673	371,199	2.05	1.56
202	Lincoln Savings & Loan Assn., Los Angeles	10,234	2,636	288.24	1,767,407	1,263,488	0.58	0.21
203	Danbury Savings & Loan Assn., Inc., Conn.	10,196	7,098	43.65	248,943	210,007	4.10	3.38
204	American Pioneer Savings Bank, Orlando, Fla.	10,086	9,136	10.40	1,243,885	1,256,660	0.81	0.73
205	American Savings Bank, FSB, Tacoma, Wash.	10,056	2,707	271.48	481,261	450,096	2.09	0.60
206	Coast Federal Savings & Loan Assn., Sarasota, Fla.	10,031	10,032	-0.01	991,893	999,183	1.01	1.00
207	Sentry Savings Assn., Slaton, Tex.	10,020	25,324	-60.43	50,498	83,140	19.84	30.46
208	Highland Federal Savings & Loan Assn., Los Angeles	9,981	11,523	-13.38	229,213	222,298	4.35	5.18
209	Territorial Savings & Loan Assn., Honolulu	9,950	8,671	14.75	272,491	213,360	3.65	4.06
210	Freedom Savings & Loan Assn., FS&LA, Tampa, Fla.	9,880	.....	...	954,720	.....	1.03	...
211	First Federal Savings & Loan Assn. of San Gabriel Valley, Covina, Calif.	9,806	9,979	-1.73	242,099	166,676	4.05	5.99
212	Baltimore Federal Financial, FSA	9,731	11,236	-13.39	1,632,587	1,364,664	0.60	0.82
213	First Federal Savings & Loan Assn., Reno, Nev.	9,583	12,866	-25.52	466,852	450,352	2.05	2.86
214	Charter Oak Federal Savings Bank, Cincinnati	9,541	17,067	-44.10	304,053	268,303	3.14	6.36
215	Mutual Savings & Loan Assn., Milwaukee	9,516	3,596	164.63	654,774	672,505	1.45	0.53
216	San Angelo Savings Assn., Tex.	9,512	19,150	-50.33	81,361	101,465	11.69	18.87
217	Gate City Federal Savings Bank, Fargo, N.D.	9,477	9,160	3.46	395,768	416,794	2.39	2.20
218	Heritage Federal Savings & Loan Assn., Monroe, N.C.	9,455	.....	...	260,975	270,623	3.62	...
219	Empire Savings & Loan Assn., Hammonton, N.J.	9,451	5,090	85.68	167,041	130,936	5.66	3.89
220	San Clemente Savings & Loan Assn., Calif.	9,391	14,967	-37.26	176,595	160,127	5.32	9.35
221	Trident Federal Savings & Loan Assn., Newark, N.J.	9,371	5,052	85.49	45,504	37,449	20.59	13.49
222	Newport News Savings Bank, Va.	9,341	13,491	-30.76	290,740	262,311	3.21	5.14
223	Elmwood Federal Savings Bank, Media, Pa.	9,309	5,165	80.23	197,300	151,354	4.72	3.41
224	New Mexico Savings & Loan Assn., Albuquerque	9,230	12,185	-24.25	204,086	205,150	4.52	5.94
225	First Atlantic Savings & Loan Assn., Plainfield, N.J.	9,200	12,102	-23.98	994,122	834,386	0.93	1.45
226	Gateway Federal Savings & Loan Assn., Cincinnati	9,177	7,931	15.71	516,428	443,228	1.78	1.79
227	Citizens Federal Savings & Loan Assn., Dayton, Ohio	8,986	13,539	-33.63	1,814,924	1,647,784	0.50	0.82
228	Fedstar Savings Bank, FSB, Alexandria, Va.	8,786	6,711	30.92	294,375	240,242	2.98	2.79
229	Stockton Savings & Loan Assn., Calif.	8,771	7,606	15.32	647,554	504,523	1.35	1.51
230	Annapolis Federal Savings Bank, Md.	8,763	2,562	242.04	280,930	251,146	3.12	1.02
231	Universal Savings Assn., Houston	8,687	8,906	-2.46	116,065	164,962	7.48	5.40
232	Cottage Savings Assn., FA, Madeira, Ohio	8,679	8,549	1.52	158,979	143,030	5.46	5.98
233	First Federal Savings & Loan Assn., San Rafael, Calif.	8,579	12,447	-31.08	81,916	82,695	10.47	15.05
234	First Federal Savings & Loan Assn., Columbus, Ga.	8,571	10,967	-21.85	202,841	237,462	4.23	4.62
235	City Savings & Loan Assn., Westlake Village, Calif.	8,551	3,509	143.69	27,136	21,519	31.51	16.31
236	Home Savings Assn., Houston	8,540	39,635	-78.45	319,259	416,691	2.67	9.51
237	Delta Savings & Loan Assn., Kenner, La.	8,535	7,553	13.00	126,620	137,196	6.74	5.51
238	United Savings of America, Chicago	8,526	6,856	24.36	628,448	485,626	1.36	1.41
239	Cumberland Federal Savings Bank, Louisville, Ky.	8,444	8,469	-0.30	886,823	769,031	0.95	1.10
240	First Federal Savings & Loan Assn., Shreveport, La.	8,387	9,562	-12.29	151,147	163,357	5.55	5.85
241	East-West Federal Bank, FSB, Los Angeles	8,366	8,570	-2.38	295,713	227,459	2.83	3.77
242	Whitestone Savings, FA, Queens, New York	8,358	7,542	10.82	245,823	158,577	3.40	4.76
243	First Federal Savings Bank, Santurce, P.R.	8,299	8,634	-3.88	694,964	698,435	1.19	1.24
244	Home Federal Savings & Loan Assn., Memphis	8,297	7,073	17.31	170,825	166,357	4.86	4.25
245	Colonial Savings & Loan Assn., Cranston, R.I.	8,237	.....	...	63,184	.....	13.04	...
246	Center Savings & Loan Assn., Clifton, N.J.	8,202	6,604	24.20	128,980	107,821	6.36	6.12
247	First Financial Bank, FSB, New Orleans, La.	8,200	5,500	49.09	646,181	634,003	1.27	0.87
248	Northwest Mutual Savings Assn., Warren, Pa.	8,190	.....	...	566,691	546,116	1.45	...
249	First Federal Savings & Loan Assn., Montclair, N.J.	8,100	13,327	-39.22	178,556	199,075	4.54	6.69
250	Citizens Federal Savings & Loan Assn., Hammond, Ind.	8,053	6,430	25.24	335,405	296,998	2.40	2.16
251	Caribbean Federal Savings Bank, Carolina, P.R.	8,022	10,473	-23.40	51,665	47,300	15.53	22.14
252	Bexar Savings Assn., San Antonio, Tex.	7,897	7,090	11.38	687,128	640,194	1.15	1.11
253	De Kalb Federal Savings & Loan Assn., Decatur, Ga.	7,833	.....	...	335,431	338,002	2.34	...
254	Midamerica Federal Savings & Loan Assn., Tulsa, Okla.	7,798	5,353	45.68	395,651	307,192	1.97	1.74
255	Second National Federal Savings Bank, Salisbury, Md.	7,798	2,874	171.33	774,244	597,186	1.01	0.48
256	Golden Coin Savings & Loan Assn., San Francisco	7,778	11,086	-29.84	144,860	114,792	5.37	9.66
257	Charter Federal Savings Bank, Randolph Township, N.J.	7,766	3,555	118.45	218,546	177,883	3.55	2.00
258	Farmers Savings, FS&LA, Davis, Calif.	7,733	12,045	-35.80	147,113	227,687	5.26	5.29
259	Elysian Federal Savings Bank, Hoboken, N.J.	7,705	12,888	-40.22	170,227	247,226	4.53	5.21
260	Federal Savings Bank of Puerto Rico, Bayamon	7,686	4,679	64.27	521,742	479,072	1.47	0.98
261	Larchmont Federal Savings & Loan Assn., N.Y.	7,652	3,319	130.55	109,858	106,016	6.97	3.13
262	United Savings Bank, FSB, San Francisco	7,627	.....	...	602,599	419,728	1.27	...
263	Piedmont Federal Savings Bank, Manassas, Va.	7,557	22,229	-66.00	383,341	254,805	1.97	8.72
264	Savers Federal Savings & Loan Assn., Little Rock, Ark.	7,503	6,462	16.11	870,121	907,105	0.86	0.71
265	Chase Federal Savings & Loan Assn., Miami	7,489	9,062	-17.36	1,571,494	1,596,804	0.48	0.57
266	Greenwich Federal Savings & Loan Assn., Conn.	7,417	8,683	-14.58	204,387	177,430	3.63	4.89
267	First Minnesota Savings Bank, FSB, Minneapolis	7,316	13,478	-45.72	2,232,498	2,140,118	0.33	0.63
268	Fidelity New York, FSB, Floral Park, N.Y.	7,255	11,117	-34.74	1,099,229	999,120	0.66	1.11
269	Ameriway Savings, Houston	7,138	6,415	11.27	138,483	135,914	5.15	4.72
270	Texas Savings & Loan Assn., San Antonio, Tex.	7,078	2,051	245.10	45,783	34,981	15.46	5.86
271	Independence Federal Savings & Loan Assn., Batesville, Ark.	6,914	3,501	97.49	262,362	255,469	2.64	1.37
272	Bel Air Savings & Loan Assn., Los Angeles	6,848	16,468	-58.42	339,312	337,119	2.02	4.88
273	Preferred Savings & Loan Assn., Inc., High Point, N.C.	6,834	1,675	308.00	292,919	259,018	2.33	0.65
274	Standard Federal Bank, Troy, Mich.	6,770	5,093	32.93	6,091,228	5,483,721	0.11	0.09
275	First Federal Savings & Loan Assn., La Grange, Ga.	6,766	3,989	69.62	124,372	102,066	5.44	3.91
276	Perpetual Savings & Loan Assn., Waterloo, Iowa	6,765	7,656	-11.64	94,477	108,389	7.16	7.06
277	Colonial Savings & Loan Assn., Roselle Park, N.J.	6,748	2,037	231.27	167,031	213,783	4.04	0.95
278	Cragin Federal Savings & Loan Assn., Chicago	6,676	6,105	9.35	1,343,706	1,029,355	0.50	0.59
279	Rancho Bernardo Savings Bank, San Diego, Calif.	6,621	11,926	-44.48	104,486	63,830	6.34	18.68
280	Security Federal Savings & Loan Assn., Chicago	6,583	6,976	-5.63	129,103	115,942	5.10	6.02
281	Cornerstone Savings & Loan Assn., Mission Viejo, Calif.	6,567	2,964	121.56	49,132	34,422	13.37	8.61
282	Provident Savings, FS&LA, Haverstraw, N.Y.	6,557	3,829	71.25	227,409	197,835	2.88	1.94
283	Midwest Federal Savings & Loan Assn., Minneapolis	6,519	4,832	34.91	1,319,153	1,022,144	0.49	0.47
284	Continental Savings of America Savings & Loan Assn., San Francisco	6,479	19,109	-66.09	462,501	384,777	1.40	4.97
285	Independence Savings & Loan Assn., Vallejo, Calif.	6,421	4,366	47.07	323,243	153,191	1.99	2.85
286	Deerfield Federal Savings & Loan Assn., Ill.	6,377	4,164	53.15	173,907	158,769	3.67	2.62
287	First Federal Savings & Loan Assn., Greenville, S.C.	6,338	11,555	-45.15	1,308,908	1,234,348	0.48	0.94
288	First Savings & Loan Co., Massillon, Ohio	6,301	6,781	-7.08	136,076	151,779	4.63	4.47
289	Peoples Savings Bank, Ashtabula, Ohio	6,239	1,191	423.85	202,273	210,870	3.08	0.56
290	Mother Lode Savings Bank, Sacramento, Calif.	6,120	7,981	-23.32	66,869	76,584	9.15	10.42
291	Colony Savings Bank, FSB, Monaca, Pa.	6,094	5,054	20.58	337,823	288,245	1.80	1.75
292	Cherokee Valley Federal Savings Bank, Cleveland, Tenn.	6,094	7,495	-18.69	92,936	109,758	6.56	6.83
293	First Federal Savings & Loan Assn. of Seminole Cty, Sanford, Fla.	6,069	6,816	-10.96	163,144	159,227	3.72	4.28
294	Nevada Savings & Loan Assn., Las Vegas	5,968	6,997	-14.71	2,007,142	831,846	0.30	0.84
295	Summit Savings Bank, Sanford, N.C.	5,905	4,819	22.54	101,816	88,163	5.80	5.47
296	Killeen Savings & Loan Assn., Tex.	5,889	5,830	1.01	142,045	212,889	4.15	2.74
297	Vanguard Federal Savings Bank, Vandergrift, Pa.	5,825	5,648	3.13	123,314	158,704	4.72	3.56
298	Washington Savings Bank, FSB, Waldorf, Md.	5,775	6,470	-10.74	124,053	72,698	4.66	8.90
299	Majestic Savings Assn., McKinney, Tex.	5,724	6,469	-11.52	219,535	194,532	2.61	3.33
300	First Federal Savings Bank of Tennessee, Tullahoma	5,625	1,437	291.44	148,895	136,283	3.78	1.05
	Totals for the Top 300	**13,399,193**	**12,511,733**	**7.09**	**496,751,149**	**437,027,707**	**2.70**	**2.86**
	Totals for All FSLIC-Insured Thrifts	**14,307,000**	**14,610,000**	**-2.07**	**881,816,000**	**813,845,000**	**1.62**	**1.80**

Data Source: All data are taken from the Quarterly Financial Report to the Federal Home Loan Bank Board. Most of the thrifts reporting to the FHLBB are FSLIC-insured institutions. Most FDIC-insured thrifts are excluded. Data were provided by **ADP Data Services Division, New York. Second Mortgage Loans** are all mortgage loans secured by junior liens, except those where the institution holds all prior liens. **Total Mortgage Loans** are the unpaid balance of all mortgage loans and contracts held as assets of the bank. Included are first and second mortgages and mortgage-backed pass-through securities. **Ratio:2nd Mtg. Loans/Total** is second mortgage loans expressed as a percentage of the institution's total mortgage loans and contracts. **N.A.— Not available.**

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Issues Boost Core Capital In Japan

By JAMES R. KRAUS

NEW YORK — Japanese banks this year will issue between 1 trillion and 2 trillion yen in equity to meet new capital adequacy guidelines, Japanese bankers here have predicted. At current exchange rates, that is between $7.75 billion and $15.5 billion.

Sources said banks are taking advantage of bouyant securities markets in Tokyo to boost equity.

Banks issued an estimated 1.7 trillion yen (about $13.18 billion) worth of yen-denominated shares and convertible bonds, as well as Swiss franc- and dollar-denominated convertible bonds during the year ended March 31.

The proposed capital guidelines set by the Bank for International Settlements are scheduled to take effect by the end of 1992. Equity is also being issued to comply with Japanese Ministry of Finance guidelines effective in 1991 that set a 6% minimum for total capital-to-asset ratios.

"If the Tokyo markets continue to be favorable, the banks won't miss a chance to raise equity," said Yuko Oana, managing director and general manager of Dai-Ichi Kangyo Bank Ltd.'s New York office.

Analysts estimate that Japanese banks will have to issue up to 5 trillion yen (about $38.75 billion) worth of equity between now and 1992 in order to keep up with normal asset growth.

"Our estimates are that if banks continue to expand their assets at the normal rate, there will be a 5 trillion yen shortfall" in required capital," said Akihiko Ito, chief economist with Yasuda Bank and Trust Co. (U.S.A.).

Mr. Ito said that bankers are confident that securities markets will respond favorably to new issues given healthy prospects for the Japanese economy.

Capital-to-Asset Ratios At Japanese Banks

March 1988

City Banks	Core
Dai-Ichi Kangyo Bank	3.24%
Sumitomo Bank	3.15
Fuji Bank	3.65
Mitsubishi Bank	3.48
Sanwa Bank	3.28
Tokai Bank	3.27
Mitsui Bank	3.12
Taiyo Kobe Bank	2.90
Bank of Tokyo	3.72
Kyowa Bank	3.35
Daiwa Bank	3.57
Saitama Bank	3.18
Hokkaido Takushoku Bank	2.98
Trust Banks	
Mitsubishi Trust & Banking	4.24
Sumitomo Trust & Banking	4.22
Mitsui Trust & Banking	4.20
Yasuda Trust & Banking	3.83
Toyo Trust & Banking	4.09
Chuo Trust & Banking	2.70
Nippon Trust Bank	3.41
Long-Term Credit Banks	
Industrial Bank of Japan	3.40
Long-Term Credit Bank of Japan	3.20
Nippon Credit Bank	3.00

Source: Yasuda Trust & Banking Co. Ltd.

Recent Equity Financing By Major Japanese Banks

1987 activity

City Banks	Type Of Issue	Amount
Dai-Ichi Kangyo Bank	40 million shares	126.24 billion yen
Hokkaido Takushoku Bank Ltd.	20 million shares	20.7 billion yen
	SF convertible bond	SF 100 million
	Eurodollar convertible bond	$100 million
Bank of Tokyo Ltd.	10m shares	15.36 billion yen
	SF convertible bond	SF 100 million
	Eurodollar convertible bond	$100m
Mitsui Bank Ltd.	25 million shares	53.1 billion yen
Mitsubishi Bank Ltd.	30 million shares	88.32 billion yen
	Eurodollar converible bond	$300 million
	SF convertible bond	SF 400 million
Fuji Bank Ltd.	35 million shares	110.1 billion yen
	Eurodollar convertible bond	$200 million
	SF convertible bond	SF 400 million
Sumitomo Bank Ltd.	20 million shares	74.92 billion yen
Daiwa Bank Ltd.	SF convertible bond	SF 100 million
Sanwa Bank Ltd.	35 million shares	96.95 billion yen
	Eurodollar convertible bond	$300 million
	SF convertible bond	SF 400 million
Kyowa Bank Ltd.	Eurodollar convertible bond	$100 million
	SF convertible bond	SF 100 million
Taiyo Kobe Bank Ltd.	Eurodollar convertible bond	$120 million
Saitama Bank Ltd.	12 million shares	19.8 billion yen
	Eurodollar convertible bond	$100 million
	SF convertible bond	SF 100 million
Total:		**605.6 billion yen** **SF 1.7 billion** **$1.32 billion**
Long-Term Credit Banks		
Long-Term Credit Bank of Japan Ltd.	2.5 million shares	50.2 billion yen
	Eurodollar convertible bond	$200 million
	SF convertible bond	SF 100 million
Nippon Credit Bank Ltd.	2.5 million shares	30.3 billion yen
	Eurodollar convertible bond	$150 million
Total:		**80.5 billion yen** **SF 100 million** **$150 million**
Trust Banks		
Mitsubishi Trust and Banking Corp.	10 million shares	35.7 billion yen
	Eurodollar convertible bond	$100 million
	SF convertible bond	SF 100 million
Sumitomo Trust and Banking Co. Ltd.	7 million shares	1.91 billion yen
	Eurodollar convertible bond	$100 million
	SF convertible bond	SF 350 million
Yasuda Trust and Banking Co. Ltd.	10 million shares	24.8 billion yen
	Eurodollar convertible bond	$100 million
	SF convertible bond	SF 100 million
Toyo Trust and Banking Co. Ltd.	10 million shares	28.1 billion yen
	Eurodollar convertible bond	$100 million
Total:		**90.51 billion yen** **SF 550 million** **$400 million**
1987 total for all banks:		**776.61 billion yen** **SF 2.35 billion** **$1.87 billion**

1988 activity

City Banks	Type Of Issue	Amount
Dai-Ichi Kangyo Bank Ltd.	domestic convertible bond	100 billion yen
Bank of Tokyo Ltd.	60 million shares	93.24 billion yen
	domestic convertible bond	70 billion yen
Mitsui Bank Ltd.	Eurodollar convertible bond	$200 million
	SF convertible bond	SF 300 million
Sumitomo Bank Ltd.	domestic convertible bond	125 billion yen
Tokai Bank Ltd.	domestic convertible bond	80 billion yen
Taiyo Kobe Bank Ltd.	30 million shares	44.8 billion yen
	domestic convertible bond	50 billion yen
Saitama Bank Ltd.	domestic convertible bond	60 billion yen
Total:		**623.04 billion yen** **$200 million** **SF 300 million**
Trust Banks 1988		
Mitsui Trust & Banking Co. Ltd.	SF convertible bond	SF 200 million
	domestic convertible	80 billion yen
Sumitomo Trust and Banking Co. Ltd.	domestic convertible bond	75 billion yen
Toyo Trust and Banking Co. Ltd.	domestic convertible bond	35 billion yen
Total:		**190 billion yen** **SF 200 million**
1988 total for all banks		**763 billion yen** **SF 200 million**

Source: Standard & Poor's Corp.

Capital Standards Won't Open Japan, Bank Experts Say

NEW YORK — Efforts to harmonize Japan's banking regulations with those in the United States will not automatically smooth the entry of American banks into the Japanese market, analysts and bank executives are predicting.

The executives spoke June 16-17 at a conference on doing business with Japan, sponsored by the American Banker-Bond Buyer. They also predicted that new international guidelines requiring generally higher capital could make Japanese banks still stronger than their U.S. counterparts and lead to new inroads into the U.S. market.

"Many observers have commented that Tokyo may well remain the most restrictive of the major international financial centers for some years to come," said Joseph Diamond, a partner in the New York office of Skadden Arps Slate Meagher & Flom.

Mr. Diamond and other executives stressed that Japan's broad cultural differences will continue to restrict the entry of foreign banks.

"In part, this restrictiveness is a reflection of the segmented banking system in Japan. But it also derives from close informal channels of communication between regulatory officials and domestic banks," Mr. Diamond said.

"We all are niche players in Japan," said John F. Loughran, senior vice president of the Asia-Pacific department at Morgan Guaranty Trust Company of New York.

Complicated cross-ownership among banks and other concerns, and powerful business relationships binding Japanese banks with Japanese customers, have been the bane of foreign banks seeking to enter the market, he said.

Mr. Loughran said he hopes the new capital guidelines will loosen some of these links and free up banking in Japan by forcing the larger banks to divest themselves of some of their industrial and commercial shareholdings.

"Barriers have fallen but market practice will prevent most U.S. companies from participating in indigenous business," said Mark J. Lerner, vice president of the Japan banking group at Merrill Lynch Capital Markets. "The expertise that needs to be sold is expertise in U.S. markets," he said.

Merrill Lynch is now concentrating on business between Japan and the United States, which will hopefully lead to domestic business within Japan.

Higher capital ratios, required of both Japanese and U.S. banks under proposed guidelines by the Bank for International Settlements, should create a slightly more level playing field in Japan, said Mr. Diamond. "However, it is important to remember that large Japanese banks may find it easier to raise additional capital through stock offerings than will money center banks from the U.S.," he said.

"Japanese bank stocks typically command premium prices from the investing public," he said, whereas stocks of U.S. money center banks are depressed. If this continues, Mr. Diamond said, "the largest U.S. banks may be forced to trim their assets quite significantly," putting them at a competitive disadvantage.

According to John V. Rindlaub, managing director-corporate finance at Bankers Trust Co., Japanese banks will carry out further acquisitions in the U.S. market as part of an ongoing effort to develop product expertise, build up a local banking operation, and possibly move into broader banking activities.

"A Japanese financial institution does figure in your future," Mr. Rindlaub said.

— James R. Kraus

California First Inks Community Reinvestment Pact

→ Continued from Page 1

tion of Community Organizations for Reform Now, known as Acorn.

Called the community service action plan, the agreement provides commitments for $36 million in loans 1989 and $48 million in 1990 for housing, rehabilitation, consumer, and small business.

Negotiations for the special lending commitment began after California First announced last February that it was buying Union Bank, Los Angeles, from Standard Chartered PLC, London, in a deal valued at about $750 million.

When the merger is completed later this year, the combined institutions will be called Union Bank and will have more than $15 billion in assets and 167 offices around the state.

A spokesman for California First, which is based in San Francisco, confirmed that the agreement with the community groups had been reached but said the document was not scheduled to be filed with the Federal Deposit Insurance Corp. until late Thursday. The FDIC and state banking authorities must approve the merger of California First and Union.

Community groups involved in the negotiations praised the agreement.

"This plan is a financial blueprint for the 21st century and demonstrates California First's commitment to serve the lending and economic development needs of the entire community," said Robert Gnaizda, staff attorney for Public Advocates, a nonprofit public interest law firm in San Francisco.

Elena Hanggi, a member of the Federal Reserve's consumer advisory council, said the agreement represented a breakthrough because a Japanese-owned bank has made a greater commitment for low-income housing loans that have most domestic banks.

"We applaud Cal First's willingness to take a leadership role in this area and hope that other commercial banks follow their lead," added Ms. Hanggi. She is the former president of Acorn, which participated in the negotiations with California First and is a national leader in obtaining loan commitments under the reinvestment act.

"We recognize that with the greater size our merger with Union Bank will bring, we must accept a broader responsibility to the community we serve." said Seishichi Itoh, president and chief executive officer of California First.

Passed by Congress in 1977, the Community Reinvestment Act requires a financial institution to meet not only the deposit needs but also the credit requirements of the community in which it is located. Under the act, federal regulators must consider a bank's community record when deciding on a merger application.

Increasingly, activist groups are using the law to obtain commitments from banks and thrifts to make available millions of dollars in loans for housing, rehabilitation, and small businesses in hard-pressed communities.

Allen J. Fishbein, general counsel of the Center for Community Change in Washington, said reinvestment act agreements have increased dramatically in the past three years, reflecting the increase in mergers among financial institutions.

Many of the agreements are not made public, but the 55 that were disclosed last year totaled $1 billion, said Mr. Fishbein. The Center for Community Change, which advises community groups on banking and reinvestment, also publishes the *CRA Reporter*, a newsletter that keeps track of agreements reached under the act.

"I like to think that banks find this is good business," said Mr. Fishbein. "There is no question that this kind of lending can succeed." ■

FDIC Approves Merger Of Massachusetts Thrifts

PORTLAND, Maine — The Federal Deposit Insurance Corp. has approved the merger of two Massachusetts banking companies in preparation for their acquisition by the One Bancorp of Portland.

The approval was granted to the Southstate Bank for Savings, a $220 million-asset institution in Brockton, and East Weymouth Savings Bank, a $95 million-asset thrift in Weymouth.

The merger is contingent upon the acquisition of Southstate by the One Bancorp, which has $2 billion in assets. The merger also depends on regulatory approval by Massachusetts banking authorities.

The One Bancorp announced in August that it would pay $18 cash for each of the 2.3 million outstanding common shares of Southstate, for a total of $41.4 million.

The One Bancorp's agreement with East Weymouth, announced in December 1987, calls for East Weymouth shareholders to receive $20 in cash per share, for a total of $19.8 million. ■

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DAILY FINANCIALS

Thursday June 23, 1988

Money Market

Federal funds range 7½%-7 9/16%
Prime rate (5/12/88) 9.00%
Discount rate FRB of New York (9/4/87) 6.00%

Call loans on securities, to brokers on stock exchange collateral (5/27/88) 8.50%

Bankers acceptances offering rate, discount (6/23)
30 days: 7.32 60 days: 7.33 90 days: 7.35
120 days: 7.40 150 days: 7.40 180 days: 7.39

Certificates of deposit ($100,000 to $1,000,000), highest offering rate, at New York City banks (6/23)
14 days: 7.00 30 days: 7.10 60 days: 7.15
90 days: 7.15 120 days: 7.20 150 days: 7.35
180 days: 7.50 270 days: 7.50 360 days: 7.65

Commercial paper, dealer Aas, discount (6/23)
30 days: 7.30 60 days: 7.35 90 days: 7.375

Commercial paper, directly placed, discount (6/23)
5-14 days: 6.00-7.40 15-29 days: 6.00-7.40
30-59 days: 6.00-7.40 60-89 days: 6.00-7.40
90-179 days: 6.00-7.40 180-270 days: 6.00-7.40

Treasury-bill rates, secondary market, bid (6/23)
90 days: 6.51 . 180 days: 6.76 1 year: 6.97

Eurodollar deposits, London bid (6/23)
Overnight: 7 5/16 7 days: 7 9/16 1 month: 7 9/16
3 mos.: 7⅝ 6 mos.: 7¾ 1 year: 8 1/16

NIBOR: 8.00% **LIBOR:** 7.875%

The Bond Buyer Municipal Bond Index

	6/23/88	6/22/88	6/16/88
Index	88.27	88.23	89.25
Yield to Par Call	8.24	8.26	8.25
Yield to Maturity	8.05	8.06	8.05

The Bond Buyer Municipal Bond Index was designed by the Chicago Board of Trade as the basis for long-term municipal bond futures contracts. It is an average obtained when the price of 40 select term bonds is divided by the amount at which each bond would be priced to yield 8%. The Index is computed daily and quoted in points and 32nds.

Futures Markets

3-Month Treasury-Bill Futures (IMM)*

Delivery	High	Low	Settle	Chg(a)	Yld(b)
Sept.'88	93.46	93.36	93.37	+ 2	6.63
Dec. '88	93.14	93.07	93.08	+ 6	6.92
Mar. '89	92.93	92.87	92.89	+ 6	7.11
Jun. '89	92.78	92.75	92.74	+ 2	7.26
Sept.'89	92.68	.....	92.62	+ 4	7.38
Dec. '89	.....	.....	92.52	+ 3	7.48
Mar. '90	.....	.....	92.45	+ 3	7.55

As of the previous day's close; Total no. of contracts traded: 5,237 total open interest: 19,131 and change in open interest: + 373

Footnotes to Futures Tables:
*For 3-month Treasury bills with a face value at maturity of $1 million. a–Change from previous day's settlement price in basis points. b–100.00 minus settlement price. IMM–Traded on the International Monetary Market, a division of the Chicago Mercantile Exchange. r–New record high in open interest.

American Banker Index

Selected Money Center Bank Stocks*

			High	Low	Last
June 23:	294.9	1988:	294.9	227.7	294.9
June 22:	292.5	1987:	401.7	212.0	234.6
June 21:	284.6	1986:	388.7	331.2	331.3
June 20:	283.2	1985:	344.2	242.7	344.2
June 17:	283.2	1984:	269.6	178.4	246.3

* Based on midday prices.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities.
The offer is made only by the Prospectus.

New Issue / June 23, 1988

$475,000,000

Manufacturers Hanover Trust Company
Seller and Servicer

Manufacturers Hanover Agent Bank Services Corporation
Administrative Agent

Manufacturers Hanover Amortizing Revolving Card Certificates℠
MHARCCS℠ Trust 1988-1
8.85% Certificate Rate

The Certificates represent beneficial interests in the Trust only and do not represent interests in or obligations of the Bank or any affiliate thereof. Neither the Certificates nor the underlying Accounts or Receivables are insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Price 99.79% and accrued interest from June 1, 1988

Copies of the Prospectus may be obtained in any State in which this announcement is circulated only from such of the undersigned as may legally offer these securities in such State.

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